

NEF, Inc.
Year-End Reporting
First Year Elections
Election to Amortize Start-Up Expenditures

The taxpayer hereby elects under Section 195 of the Internal Revenue Code to amortize its start-up expenditures over a period of 180 months beginning with [Enter the month and year in which the active conduct of the taxpayer's business began], the month in which the active conduct of the taxpayer's business began. These costs were incurred as part of [Describe the trade or business to which costs relate.]

Election to Amortize Organization Fees

The taxpayer hereby elects to amortize its organizational expenditures under Section 709(b) of the Internal Revenue Code and Treas. Reg. Sec. 1.709. The taxpayer began business in [Enter the month and year in which business began], and elects to amortize its organizational expenditures over a period of 180 months beginning [Enter the month and year in which business began.]

Election to Accrue Real Property Taxes

The taxpayer hereby elects to use the ratable accrual method for real property taxes under Section 461(c) of the Internal Revenue Code. In accordance with Reg. Sec. 1.461-1(c)(3)(i), the following information is provided:

- (1) [Enter description of the trades or businesses of the taxpayer] shall be the subject of this election. This currently includes Enter description of property located in [Enter city, state.]
- (2) The accrual method of accounting is used for all the trades or businesses subject to this election.
- (3) The real property taxes shall be accrued ratably over the [Entire fiscal or calendar year] to which they relate. As of [Enter Year-end], the balance of the accrued property taxes was \$ [Enter amount.]
- (4) The amount of the deduction for real property taxes for the year ended [Enter Year-end] is calculated as follows:

Real property taxes paid during the year	\$	<u>Enter amount</u>
Real property taxes reimbursed during the year		<u>Enter amount</u>
Real property taxes accrued at the end of the year (Payable in Enter Month, Year)		<u>Enter amount</u>
Real property taxes deducted for the year	\$	<u>Enter amount</u>